



# GTC

Gorham Telephone Company

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**REDACTED - FOR PUBLIC INSPECTION**

June 30, 2016

Ms. Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

**Re: Connect America Fund, WC Docket No. 14-58, 47 CFR § 54.313 Annual Reporting Requirements for High-Cost Recipients (Form 481)**

Dear Ms. Dortch:

Attached please find Gorham Telephone Company's high-cost support recipient annual report pursuant to 47 CFR § 54.313 (Form 481).

Gorham Telephone Company is filing certain financial information, reported pursuant to 47 CFR §54.313(f)(2), as confidential under the March 22, 2016 Protective Order (DA 16-296). Pursuant to that Order, each page of this filing has been marked "REDACTED - FOR PUBLIC INSPECTION." The non-redacted version of this information has been marked "CONFIDENTIAL INFORMATION - SUBJECT TO PROTECTIVE ORDER BEFORE THE FEDERAL COMMUNICATIONS COMMISSION." As such, Gorham Telephone Company requests that the non-redacted version of its submission be withheld from public inspection.

Gorham Telephone Company is also requesting confidential treatment of certain information being filed pursuant to 47 CFR § 54.202(a)(1)(ii) and 54.313(a)(1) (five year service quality improvement plan) under 47 CFR § 0.457 and 0.459. The redacted version of this filing has been marked "REDACTED - FOR PUBLIC INSPECTION." The non-redacted version has been marked "CONFIDENTIAL - NOT FOR PUBLIC INSPECTION."

Pursuant to 47 CFR § 0.459, Gorham Telephone Company offers the following in support of its request for confidential treatment of certain information.

- *Identification of the specific information for which confidential treatment is sought:* Gorham Telephone Company seeks confidential treatment of the five year service quality improvement plan required per 47 CFR § 54.202(a)(1)(ii) and 54.313(a)(1),
- *Identification of the Commission proceeding in which the information was submitted or a description of the circumstances giving rise to the submission:* Gorham Telephone Company is providing the five year service quality improvement plan as part of its annual high-cost support recipient report per 47 CFR § 54.313.
- *Explanation of the degree to which the information is commercial or financial, or contains a trade secret or is privileged:* Gorham Telephone Company considers the information to be highly sensitive in that it contains statements about the Company's future investment plans, and discusses specific equipment and strategies the Company will utilize to provide services.

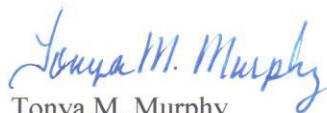
- *Explanation of the degree to which the information concerns a service that is subject to competition:* Gorham Telephone Company provides voice and broadband services that are in competition with various landline and wireless providers; thus, the investment data disclosed is related to services subject to competition to a high degree.
- *Identification of any measures taken by the submitting party to prevent unauthorized disclosure:* Gorham Telephone Company makes the data being provided available only to employees, consultants, and attorneys on a limited, need-to-know basis.
- *Identification of whether the information is available to the public and the extent of any previous disclosure of the information to third parties:* The information is not publicly available.
- *Justification of the period during which the submitting party asserts that material should not be available for public disclosure:* Gorham Telephone Company requests that the data provided be treated as confidential indefinitely. Due to the sensitive nature of the data, it would not be appropriate for public disclosure at any time in the foreseeable future.
- *Any other information that the party seeking confidential treatment believes may be useful in assessing whether its request for confidential treatment should be granted:* None.

Accordingly, Gorham Telephone Company requests confidential treatment of the five year service quality improvement plan pursuant to section 0.457 and 0.459 of the Commission's rules.

The redacted version of this Form 481 submission will be filed via the Commission's Electronic Comment Filing System (ECFS) in the above-captioned docket.

If you have any questions about this filing, please contact the undersigned.

Sincerely,



Tonya M. Murphy  
Secr/Treas.

Attachment

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FOR PUBLIC INSPECTION**

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**Gorham Telephone Company (SAC 411778)**

*Statement Regarding Compliance with Service Quality Standards and Consumer Protection Rules*

47 CFR § 54.313(a)(5)

Form 481, Line 510

Gorham Telephone Company (GTC) is an incumbent local exchange carrier operating in the state of Kansas, and is an eligible telecommunications carrier (ETC) designated by the Kansas Corporation Commission (KCC). As such, GTC is subject to the regulatory authority of the KCC and operates under the relevant rules and laws of the state of Kansas.

GTC is subject to the service quality standards and consumer protection standards adopted by the KCC and that are applicable to ILECs in the state of Kansas. These standards are contained in Orders adopted by the KCC in Docket No. 95-GIMT-047-GIT (specifically the KCC Order dated May 23, 2008) and Docket No. 06-GIMT-187-GIT. The consumer protection standards are also contained in GTC's local tariff that is on file with the KCC.

Apart from effective internal procedures and operations, GTC ensures compliance with all applicable service quality and consumer protection rules through KCC enforcement, which entails the operation of an effective customer complaint process. KCC is required to respond to customer complaints and other service quality-related inquiries from the KCC in a reasonable time frame. GTC consistently meets or exceeds all KCC-adopted standards, and reports to this effect via all required KCC processes.

Finally, GTC has established internal procedures to ensure compliance with the Federal Communications Commission's Customer Proprietary Network Information (CPNI) rules that include, but are not limited to, periodic employee training and maintenance of written company CPNI procedures. GTC certifies its compliance with the Commission's CPNI rules by making annual filings as required in 47 CFR § 64.2009(e).

**Gorham Telephone Company (SAC 411778)**

*Statement Regarding the Ability to Function in Emergency Situations*

47 CFR § 54.313(a)(6)

Form 481, Line 610

Gorham Telephone Company (GTC) is an incumbent local exchange carrier operating in the state of Kansas, and is an eligible telecommunications carrier (ETC) designated by the Kansas Corporation Commission (KCC). As such, GTC is subject to the regulatory authority of the KCC and operates under the relevant rules and laws of the state of Kansas.

GTC is subject to KCC rules regarding the ability to remain functional in emergency situations by (1) maintaining at least eight hours of backup power to ensure functionality without local alternating current (AC) commercial power, (2) establishing the ability to reroute traffic around damaged facilities and to manage traffic spikes resulting from emergency situations, and (3) establishing procedures for employees to follow in an emergency to prevent or minimize interruption or impairment of telecommunications services.

GTC has stationary generators at each exchange central office (4 total) and also 8 portable generators to be deployed if necessary for GTC's services. GTC's network is capable of rerouting traffic around damaged facilities, although this ability is not absolute and may be limited in certain circumstances. However, GTC follows all industry standard practices in ensuring its network remains functional during different types of emergency situations.

**Gorham Telephone Company (SAC 411778)**

*Statement Regarding Voice Rate Comparability*

47 C.F.R. § 54.313(a)(10)

Form 481, Line 1010

Gorham Telephone Company is a rural, rate of return regulated incumbent local exchange carrier operating in the state of Kansas, and is an eligible telecommunications carrier (ETC) designated by the Kansas Corporation Commission (KCC). As such, Gorham Telephone Company is subject to the regulatory authority of the KCC and operates under the relevant rules and laws of the state of Kansas.

Gorham Telephone Company hereby certifies that the pricing of its voice services is no more than two standard deviations above the national average urban rate for voice service, \$41.07, as specified in the April 5, 2016 Public Notice issued by the Wireline Competition Bureau of the Federal Communications Commission.

Gorham Telephone Company's residential voice service rates, including state fees and the federal subscriber line charge (SLC) are as follows.

Monthly rate for Gorham exchange is \$25.16.

Monthly rate for Waldo exchange is \$25.16.

Monthly rate for Luray exchange is \$25.96.

Monthly rate for Paradise exchange is \$25.96.

Average monthly rate is \$25.56.



**Gorham Telephone Company (SAC 411778)**

*Statement Regarding Broadband Rate Comparability*

47 CFR § 54.313(a)(12)

2016 FCC Form 481, Line 1030

Gorham Telephone Company (Gorham) states the following as to the requirements contained in 47 CFR § 54.313(a)(12) regarding the reasonable comparability of residential broadband rates. This rule requires that eligible telecommunications carriers (ETCs) provide “*a certification that the pricing of a service that meets the Commission's broadband public interest obligations is no more than the applicable benchmark to be announced annually in a public notice issued by the Wireline Competition Bureau, or is no more than the non-promotional price charged for a comparable fixed wireline service in urban areas in the states or U.S. Territories where the eligible telecommunications carrier receives support.*”

Gorham notes that this rule, adopted in the FCC’s December 18, 2014 Report and Order in WC Docket Nos. 10-90, 14-58, and 14-192 (FCC 14-190) is effective for the first time with the 2016 Form 481 ETC Annual Report. Furthermore, the Wireline Competition Bureau issued a Public Notice (DA 16-362, rel. April 5, 2016) that contains, *inter alia*, the process for determining the applicable reasonably comparable benchmark rates. ETCs are to certify on line 1020 of the 2016 Form 481 that one broadband service offering that satisfies all of the Commission’s requirements, including that the service be offered throughout the high-cost support recipient’s supported area or made available upon request be priced at or below the relevant benchmark.

While Gorham offers, or will offer upon reasonable request, fixed wireline retail residential broadband internet access service meeting the Commission’s requirements (10/1 mbps, 150 gb of monthly capacity), it does not and cannot do so at rates at or below the relevant benchmarks. Gorham’s retail rate for residential 15/3 unlimited broadband internet access service (Gorham does not offer 10/1 mbps service) is \$99.99 per month, while the benchmark rate according to the 2016 Public Notice and the online reasonable comparability benchmark calculator is \$78.66. In addition, Gorham has considered the “*non-promotional price charged for a comparable fixed wireline service in urban areas in the states or U.S. Territories*” in Kansas. Gorham’s rate is higher due to many factors, including the high cost, remote areas that it serves, the relatively high middle mile costs necessary to connect Gorham’s customers to the Internet, and the sparse population in its rural Kansas serving area.

Gorham also notes that, as an ILEC ETC, it does not provide retail Internet access services of any kind directly to end user customers; rather, Gorham provides wholesale service to its Internet Service Provider (ISP) affiliate, which then adds services to the broadband “pipe” Gorham provides in order to provide broadband Internet access service to individual residential customers. Thus, Gorham, as the ILEC, does not control the costs incurred by the ISP or the prices charged to the end user.

**Gorham Telephone Company (SAC 411778)**

*Progress Report on 5 Year Plan – Milestone Certification*

47 C.F.R. § 54.313(f)(1)(i)

Form 481, Line 3010

Gorham Telephone Company hereby certifies pursuant to 47 CFR 54.313(f)(1)(i) that it is taking all reasonable steps to provide, upon reasonable request, broadband service at actual speeds of at least 10 mbps downstream and 1 mbps upstream, with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to comparable offerings in urban areas, and that requests for such service are met within a reasonable time frame.

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